



# METROPOLITAN **DETROIT** **MARKET**

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INDUSTRIAL  
**Q2 2023**  
MARKET STATISTICS

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## METROPOLITAN DETROIT

# INDUSTRIAL MARKET REVIEW

## ECONOMIC OVERVIEW

Second quarter 2023 closed with a direct vacancy rate of 3.69%, an overall vacancy rate of 3.95%, and an average asking direct rental rate reported at \$7.36 psf. In June, the Michigan unemployment rate was recorded at 3.6%, a decrease of 0.7 percentage points compared to this time last year, while the U.S. unemployment rate was recorded at 3.6%. Although inflation persists, interest rate hikes have remained consistent over the past year, and as employers target cost cutting measures, the labor market continues to maintain strength with fewer Americans applying for jobless benefits. 253,000 job openings occurred in April, 339,000 openings in May and a slight decrease in June to 209,000 openings, closing the quarter with 9.8 million total job openings in the U.S. In April, U.S. consumer confidence declined for the 3<sup>rd</sup> time in four months and again in May as individuals continue to become more discouraged by inflation, and by yet another increase of the key interest rate by the Federal Reserve totaling a quarter point to the highest it's been in 16 years; however, they have indicated there may be a pause in further increases after 10 rate hikes which have had a costly impact on both businesses and consumers. Consumer price growth slowed in May rising only 0.1% from April, while mortgage rates approached a 7-month high, the quarter closes on an uneasy note as to how the remaining half of the year will unfold.

## INDUSTRIAL MARKET DISCUSSION

Several large leases closed in the second quarter. First, DTE Energy leased 528,340 sq. ft. at 12723 Telegraph Road in Redford at the Pinnacle Logistics Park and will utilize the space for equipment storage. In Shelby Township at 23 Mile and Mound Road, two deals were signed at the newly constructed \$85M speculative development totaling more than 1 msf of light manufacturing and warehouse distribution as Mayco International signed a deal totaling 332,186 sq. ft. and Zhongli North America, Inc. signed a deal for 168,442 sq. ft. While in Livonia, Penske Logistics, Inc. took 101,964 sq. ft. of warehouse distribution space at 12950 Eckles Road in the Livonia West Commerce Center 2.

A number of sales closed during the quarter. First in Roseville, RDB Groesbeck Highway, LLC purchased the 232,717 sq. ft. manufacturing property located at 29880 Groesbeck Highway. While in Ann Arbor, the 114,269 sq. ft. hi-tech property on 16.54 acres at 5775 Interface Drive was purchased as an investment by 35700 Van Dyke Avenue, LLC. In Warren, SLW Automotive, Inc. purchased the 110,673 sq. ft. manufacturing building located at 24060 Hoover Road. Lastly in Auburn Hills, Loboda Properties purchased the 77,100 sq. ft. warehouse distribution property in the Auburn Hills Tech Center as an investment.

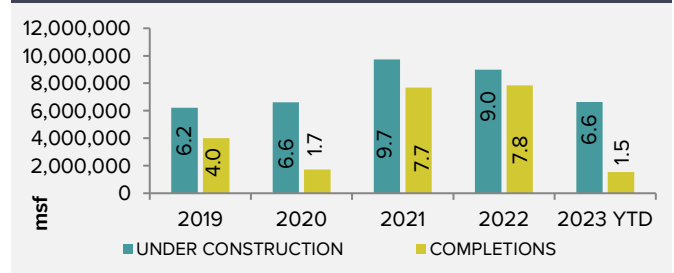
## OUTLOOK

In May, General Motors announced plans to construct a \$200M EV component supply facility in Auburn Hills on 87.3 acres, formerly the Palace of Auburn Hills, the Detroit Pistons' former facility was demolished in late spring 2020. Construction is expected to begin July 2023 with completion expected in Mid-2024. The facility is expected to be 1.1 msf and employ 1,000 to service the GM Lake Orion Assembly plant. Also in Auburn Hills, BorgWarner announced plans to invest \$20M to expand their capabilities and develop a new EV battery service center. While in Ann Arbor, The University of Michigan revealed plans in creating a \$130M EV training and development center, with \$20M allocated towards training employees in the future of mobility, \$50M towards public-private research and development, and \$60M to build the new training facility. The size and location of this new facility has yet to be disclosed.

## UNDER CONSTRUCTION

BUILDING / MARKET	CITY	SF	ESTIMATED COMPLETION
Eastland Commerce Center Bldgs. 1, 2 & 3 East Corridor	Harper Woods	1,040,546	September 2023
Dutton Rd. & Bald Mountain Rd. North Corridor	Auburn Hills	280,000	September 2024
28803 Wixom Road Building D I-96 Corridor	Wixom	258,465	December 2023

## UNDER CONSTRUCTION VS. COMPLETION



**METROPOLITAN DETROIT**



## METROPOLITAN DETROIT

# INDUSTRIAL MARKET REVIEW

Submarket: Buildings 5,000 Sq. Ft. & Up	Total Buildings	Total Inventory Square Feet	Available Square Feet Overall	Vacancy % Overall	Available Square Feet Direct	Vacancy % Direct	Direct Vacancy % Change 1 <sup>st</sup> - 2 <sup>nd</sup> Quarter
<b>NORTH CORRIDOR</b>							
Auburn Hills	330	21,294,708	803,346	3.77%	803,346	3.77%	0.85%
Madison Heights	430	10,812,181	489,618	4.53%	440,438	4.07%	0.16%
Orion Twp/Lake Orion	66	4,670,799	21,200	0.45%	21,200	0.45%	0.21%
Rochester/Rochester Hills	312	10,162,799	453,871	4.47%	369,858	3.64%	0.32%
Royal Oak Area*	681	16,961,224	678,103	4.00%	678,103	4.00%	-0.14%
Southfield/Bloomfield Twp	276	7,606,977	191,353	2.52%	177,028	2.33%	-0.36%
Troy	845	21,425,515	751,981	3.51%	718,981	3.36%	-0.19%
<b>TOTAL SUBMARKET</b>	<b>2,940</b>	<b>92,934,203</b>	<b>3,389,472</b>	<b>3.65%</b>	<b>3,208,954</b>	<b>3.45%</b>	<b>0.16%</b>
<b>EAST CORRIDOR</b>							
Chesterfield Twp	232	8,706,971	291,003	3.34%	291,003	3.34%	-0.21%
Clinton Twp	451	9,083,734	237,964	2.62%	237,964	2.62%	0.15%
Fraser	262	6,088,372	115,600	1.90%	115,600	1.90%	-0.59%
Mt. Clemens	98	2,966,099	0	0.00%	0	0.00%	0.00%
Roseville	279	7,003,233	156,680	2.24%	156,680	2.24%	-5.02%
Shelby Twp/Macomb Twp	413	12,463,393	244,259	1.96%	244,259	1.96%	0.61%
Sterling Heights	535	18,642,668	284,926	1.53%	284,926	1.53%	-0.47%
Warren	982	31,707,541	1,539,997	4.86%	1,300,364	4.10%	-1.19%
<b>TOTAL SUBMARKET</b>	<b>3,252</b>	<b>96,662,011</b>	<b>2,870,429</b>	<b>2.97%</b>	<b>2,630,796</b>	<b>2.72%</b>	<b>-0.81%</b>
<b>SOUTH CORRIDOR</b>							
Brownstown Twp	58	5,831,335	301,644	5.17%	301,644	5.17%	0.00%
Dearborn/Dearborn Heights	311	12,167,524	799,223	6.57%	799,223	6.57%	-2.81%
Romulus	394	21,721,764	1,278,055	5.88%	1,198,322	5.52%	4.43%
Taylor	307	11,254,735	175,428	1.56%	175,428	1.56%	-1.87%
<b>TOTAL SUBMARKET</b>	<b>1,070</b>	<b>50,975,358</b>	<b>2,554,350</b>	<b>5.01%</b>	<b>2,474,617</b>	<b>4.85%</b>	<b>0.80%</b>
<b>WEST CORRIDOR</b>							
Ann Arbor	387	11,182,485	923,824	8.26%	908,978	8.13%	1.11%
Farmington/Farmington Hills	421	11,999,333	708,771	5.91%	575,632	4.80%	-0.14%
Livonia	819	31,486,539	1,019,829	3.24%	872,829	2.77%	0.06%
Plymouth/Canton	488	20,753,302	738,300	3.56%	711,359	3.43%	-0.57%
Redford	202	5,861,390	245,851	4.19%	245,851	4.19%	-8.50%
Van Buren Twp	59	6,080,596	88,763	1.46%	88,763	1.46%	0.00%
Wayne/Westland	279	6,784,520	122,315	1.80%	122,315	1.80%	0.42%
<b>TOTAL SUBMARKET</b>	<b>2,655</b>	<b>94,148,165</b>	<b>3,847,653</b>	<b>4.09%</b>	<b>3,525,727</b>	<b>3.74%</b>	<b>-0.48%</b>
<b>I-96 CORRIDOR</b>							
Brighton/Genoa Twp/Green Oak Twp	260	7,076,597	135,907	1.92%	106,507	1.51%	-0.34%
Fowlerville/Howell	124	4,533,188	119,100	2.63%	119,100	2.63%	0.51%
Lyon Twp/South Lyon/Milford/New Hudson	137	5,351,001	364,335	6.81%	364,335	6.81%	-0.24%
Novi	313	11,300,639	621,575	5.50%	516,154	4.57%	-0.38%
Walled Lake/Commerce Twp	207	4,713,446	205,962	4.37%	205,962	4.37%	0.23%
Wixom	374	12,200,339	878,404	7.20%	878,404	7.20%	0.11%
<b>TOTAL SUBMARKET</b>	<b>1,415</b>	<b>45,175,210</b>	<b>2,325,283</b>	<b>5.15%</b>	<b>2,190,462</b>	<b>4.85%</b>	<b>-0.08%</b>
<b>METRO DETROIT INDUSTRIAL MARKET TOTAL</b>	<b>11,332</b>	<b>379,894,947</b>	<b>14,987,187</b>	<b>3.95%</b>	<b>14,030,556</b>	<b>3.69%</b>	<b>-0.19%</b>

\*Royal Oak Area includes: Berkley, Ferndale, Hazel Park, Oak Park and Royal Oak.

## METROPOLITAN DETROIT

# INDUSTRIAL MARKET REVIEW

## TOP SALE TRANSACTIONS

Building	City	Market	Size/SF	Sale Type	Buyer
29880 Groesbeck Highway	Roseville	East Corridor	232,717	Investment	RDB Groesbeck Highway, LLC
5775 Interface Drive	Ann Arbor	West Corridor	114,269	Investment	35700 Van Dyke Avenue, LLC
24060 Hoover Road	Warren	East Corridor	110,331	User	SLW Automotive, Inc.
3333 Bald Mountain Road	Auburn Hills	North Corridor	77,100	Investment	Loboda Properties
7444 N. Haggerty Road	Canton	West Corridor	64,220	Investment	Canton Lizotte Holdings, LLC

## TOP LEASE TRANSACTIONS

Building	City	Market	Size/SF	Lease Type	Tenant
12723 Telegraph Road	Redford	West Corridor	528,340	Direct	DTE Energy
7080 23 Mile Road	Shelby Township	East Corridor	332,186	Direct	Mayco International
7080 23 Mile Road	Shelby Township	East Corridor	168,442	Direct	Zhongli North America, Inc.
12950 Eckles Road	Livonia	I-275 Corridor	101,964	Direct	Penske Logistics, Inc.
1450 McPherson Park Drive	Howel	I-96 Corridor	88,542	Direct	Armaly Brands

## SIGNATURE QUICK FACTS

### MID-YEAR 2023

SIGNATURE LISTED...


**334**  
 NEW PROPERTIES

**5,843,467**  
 SQUARE FEET

**885.79**  
 ACRES

### MID-YEAR 2023

SIGNATURE CLOSED....


**574**  
 TRANSACTIONS

**11,881,942**  
 SQUARE FEET

**881.43**  
 ACRES

**42%**  
 CONSISTENT  
 MARKET SHARE

**FULL-SERVICE  
 COMMERCIAL REAL ESTATE**
**TCN**  
 WORLDWIDE  
 REAL ESTATE SERVICES

**MEMBER  
 FIRM**